

*c. 8 December 1980*

REORGANIZATION (Team B Submission)

1. Three considerations are involved in any discussion of Reorganization:

a. Whether reorganization should alter the basic structure of the DCI's position, the CIA and the Intelligence Community; or

b. Whether reorganization (at least initially) should be confined to effecting changes within--but not radically altering--the current basic structure; and

c. Timing, i.e., when any changes (of either variety) could best be implemented.

2. On timing, the B Team feels that changing the basic structure of the DCI's position, the CIA and the Intelligence Community at or near the outset of President Reagan's Administration would entail costs far outweighing any benefits likely to be gained. In any institutional structure--particularly one as complex as the U.S. Intelligence Community--major reorganization always involves at least temporary disruption and curtailed performance. It involves confusion and trauma of a kind and degree which, after the shocks and uncertainties of the past several years, would be very disruptive to the work of the CIA and the Intelligence Community. Both of the latter need the leadership of a healing hand, and need to be settled down. We believe this approach should be initially pursued before major institutional surgery is attempted.

3. REORGANIZATION: Such reorganizations as may be required for CIA and the Intelligence Community can be accomplished in three major ways:

a. Some of these matters, such as strengthening counter-intelligence and covert action, can in some measure be done by the DCI's internal directives or the wider-ranging Director of Central Intelligence Directives (DCID) and the National Security Council Intelligence Directives (NSCID);

b. Executive Orders (to be discussed below);

c. Legislation (to be discussed below);

d. Suggestions that some changes, major or minor, might be accomplished by a Reorganization Plan submitted to Congress under the Reorganization Act have important drawbacks:

(1) The present Reorganization Act (5 U.S.C. 901 et seq.) will expire in April 1981, and thus needs to be extended or re-enacted--a possibly time-consuming prospect.

(2) All Reorganization Plans must be handled by the Senate Governmental Affairs and House Government Operations Committees; this means by-passing the expertise of the Senate and House Intelligence Committees and the resultant problem of briefing two new Committees, virtually from scratch, on what may involve highly sensitive information.

4. EXECUTIVE ORDERS (E.O.'s).

a.(1) There is no disagreement on the need for the reestablishment of the President's Foreign Intelligence Advisory Board (PFIAB), abolished by the present Administration. From its earliest inception

(under another name) in 1956, such a Board has been established by Executive Order (see E.O.'s 10656, 10938, 11460, 11984). It should continue to receive the dignity of its own E.O. rather than be lumped into a more comprehensive intelligence E.O.

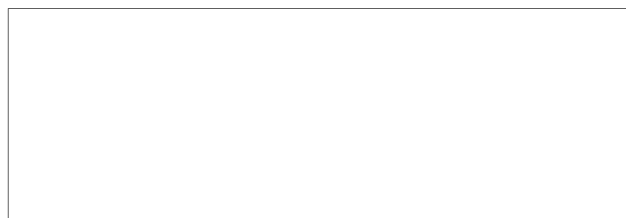
(2) A draft E.O. is in process and will be completed as soon as there is final agreement on all of PFIAB's functions. One point still open for consideration is whether the Intelligence Oversight Board (IOB), now located in the White House, is still required at all, should remain as a separate entity, or should be incorporated as a rotating subcommittee within PFIAB.

b. There is complete agreement that E.O. 12036 must be replaced. The major questions are timing and new language which remains to be discussed. It is probable that certain of its restrictive provisions can be deleted or changed at once, but much of a new text ~~from~~<sup>for</sup> an E.O. should be carefully studied by the new DCI and his team, as well as the new Attorney General and appropriate White House staff, before issuance of a complete new E.O. and rescission of E.O. 12036 and some of its "guidelines."

## 5. LEGISLATION.

a. If there are to be major reorganizations, such as the creation of a Presidential Advisor on Intelligence in the White House or reordering of CIA functions, then legislation will be required. For instance, were such a Presidential Advisor created by E.O., he could not have any line or directive authority where such actions impinged on the present statutory functions of the DCI. In any event, there is much disagreement on such reorganizations within the Team itself

which need further argumentation. This should be noted with the caveat that these are decisions, pro or con, which need finally be made by the new DCI after some time on the job.



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